

## **Deposition Designations for:**

**PETER VAN N. LOCKWOOD**  
**May 1, 2009**

### **Deposition Designation Key**

**CI = Certain insurers (green)**

**CNA = Continental Cas. Co &  
Continental Ins. Co. (red)**

**PP's = Plan Proponents (blue)**

**Obj: = Objection**

**Ctr = Counter Designation**

**R = Relevance**

**BE = Best Evidence**

**F = Foundation**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In Re: : Chapter 11  
: Case No.  
W.R. GRACE & CO., et al, : 01-01139 JKF  
: (Jointly  
Debtors : Administered)

Friday, May 1, 2009

Oral deposition of PETER VAN  
N. LOCKWOOD, ESQUIRE, taken pursuant to  
notice, was held at the offices of CAPLIN  
& DRYSDALE, One Thomas Circle N.W., Suite  
1100, Washington, DC 20005, commencing  
at 9:43 a.m., on the above date, before  
Lori A. Zabielski, a Registered  
Professional Reporter and Notary Public  
in and for the Commonwealth of  
Pennsylvania.

MAGNA LEGAL SERVICES  
Seven Penn Center  
1635 Market Street  
8th Floor  
Philadelphia, Pennsylvania 19103

Key

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CNA = Continental Casualty Co.  
& Continental Ins. Co. (red)  
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## EXHIBITS (continued)

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## DEPOSITION SUPPORT INDEX

Direction to Witness Not to Answer:

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NONE			

Request for Production of Documents:

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NONE			

## Stipulations:

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## Area(s) Marked Confidential:

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152	01 through 168	03	
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(It is hereby stipulated and agreed by and among counsel for the respective parties that the filing, sealing and certification of the deposition are waived; and that all objections, except as to the form of the question, will be reserved until the time of trial.)  
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PETER VAN N. LOCKWOOD, ESQUIRE, after having been first duly sworn, was examined and testified as follows:

## EXAMINATION

---  
(ACC 30(b)(6)-1 and 2 premarked for identification.)  
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BY MR. BROWN:

Q. Good morning, Mr. Lockwood.

A. Good morning, Mr. Brown.

Q. You are appearing here today

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R

as the Rule 30(b)(6) designee for the ACC, correct?

A. Correct.

Q. And that is with respect to a number of 30(b)(6) notices, correct?

A. A very large number, yes.

Q. Can you look at the one that's been put before you and marked ACC Rule 30(b)(6)-1, which I will call ACC-1 here after.

A. I have it.

Q. Can you identify it?

A. It is an Amended Notice of Deposition of Asbestos PI Committee Pursuant to Rule 30(b)(6) served by four insurance companies, One Beacon, Seaton, Geico, and Columbia. And it contains an attachment with definitions and topics which are the subject matter of testimony.

Q. Okay. And can you look at the document that I put before you that's marked ACC-2.

A. I have it.



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**Q. And identify that document, please.**

A. That document is the Objections of the Official Committee of Asbestos Personal Injury Claimants to Rule 30(b)(6) Notices of Deposition served by Certain Plan Objectors.

**Q. Okay. And is it correct that you are here today prepared to testify about the topics that are listed in ACC-1 subject to the objections that appear in ACC-2?**

A. The answer to that question is yes, subject to the following caveats: To the extent that the topics in this notice or any of the other notices are subjects that the ACC has a person with knowledge on, I am here to testify about it. To the extent that the ACC doesn't have a person with knowledge on certain topics, then I am here to testify that the ACC doesn't have knowledge on those topics.

**Q. Okay. And --**

**Q. Have you ever seen this document before?**

A. Frankly, I am not sure.

**Q. Okay.**

A. I may have. I may not have.

**Q. All right. Why don't you go to the back of the document, starting with page 9.**

A. Page 9 or page 8?

**Q. I am sorry. Page 8.**

A. I am there.

**Q. Can you identify that document?**

A. It appears to be a copy of a Term Sheet for the Resolution of Asbestos Personal Injury Claims entered into by a variety of parties, including the ACC.

**Q. Okay. Have you seen the Term Sheet, either this Term Sheet or some iteration of it previously?**

A. I have seen the original of it.

**Q. Okay. Can you take a look at what you have before you and tell me**

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A. And to the extent that occurs, we will see how it occurs in the course of the questions.

**Q. Okay. And then you mentioned ACC and a person with the ACC.**

**How are you using the term "ACC"?**

A. I am using it as the entity that was appointed in the bankruptcy case by the U.S. Trustee.

MR. BROWN: ACC-3.

(ACC 30(b)(6)-3 marked for identification at this time.)

BY MR. BROWN:

**Q. Okay. Mr. Lockwood, you now have before you a document that should have two exhibit labels on it. One is an Exhibit-12 from the deposition of Mr. Finke, and the other is ACC-3.**

**Could you identify the document that has been marked as ACC-3?**

A. It appears to be a Form 8-K file by W.R. Grace & Company dated April 6, 2008.

**whether it differs in any way from the original?**

MR. FINCH: Objection.

THE WITNESS: On the face of it, it does not appear to be different. I mean, obviously, a comparison of the original and this copy would be the definitive way of determining whether there is a difference, but this looks to be the same, as best I can recall.

BY MR. BROWN:

**Q. Okay. And this document was negotiated by the parties that executed it, is that correct, or their counsel?**

A. Broadly speaking, yes. I mean, negotiated implies human beings in a room or in some communication, and these are all entities. So various representatives of the entities that are listed here in negotiated this document on behalf of their respective principals.

**Q. Is there anything in the Term Sheet that you can see that's**



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1 inaccurate?

2 MR. FINCH: Object to form. **PP's: R**

3 THE WITNESS: To answer that  
4 question, I would have to read  
5 every word in the Term Sheet and  
6 determine whether or not there are  
7 statements in here which are  
8 contained facts which might be  
9 erroneously stated. I am not sure  
10 that there are any such things.

11 BY MR. BROWN:

12 Q. Take a moment to review it,  
13 if you would. It's not that long.

14 A. Well, I have read it. As  
15 far as I can tell, it is accurate in the  
16 sense that it states the terms of an  
17 agreement, and those are the terms of the  
18 agreement. It doesn't purport to recite  
19 facts.

20 Q. Okay. Look at the first  
21 sentence. There is a reference there to  
22 certain of the principal terms and  
23 conditions.

24 Do you see that?

1 5, there is a sentence that begins,  
2 "Provided however..."?

3 A. Yes.

4 Q. Do you know to what that  
5 refers?

6 MR. FINCH: Objection. I  
7 caution the witness not to reveal  
8 any privileged communications. If  
9 you can answer the question  
10 without divulging privileged  
11 information, you can do so.

12 MS. HARDING: And I am going  
13 to object also as to privilege as  
14 to the relevancy of negotiations,  
15 and I believe that -- well --  
16 okay.

17 THE WITNESS: I am trying to  
18 remember what this phrase referred  
19 to at the time this Term Sheet was  
20 entered into. As best I can  
21 recall, at the time of the Term  
22 Sheet, the concept that was  
23 reflected by this language was  
24 that what was going to be

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1 A. I do.

2 Q. Were there other principal  
3 terms and conditions that were left off  
4 the Term Sheet?

5 A. I don't believe there were  
6 that had been negotiated, agreed on.

7 It is common that a Term  
8 Sheet is subject to a definitive  
9 agreement. And in a complicated  
10 bankruptcy case, involving a complicated  
11 settlement, it would be my understanding  
12 and I believe the understanding of  
13 everybody else that was involved in this  
14 that this Term Sheet would only purport  
15 to set out certain of the most -- what  
16 the parties consider to be the most  
17 important terms, and other terms would  
18 remain to be negotiated as part of the  
19 drafting of either the definitive Plan or  
20 a more definitive settlement agreement or  
21 whatever document would be required to  
22 flesh out the details.

23 Q. Okay. Can you turn to page  
24 9, and you will see under the Romanette

1 transferred to the Trust was  
2 coverage for asbestos personal  
3 injury claims, and to the extent  
4 that there was coverage that  
5 didn't -- that somehow or another  
6 didn't cover asbestos personal  
7 injury claims, like, for example,  
8 workers' compensation insurance,  
9 that wouldn't be transferred to  
10 the Trust.

11 But since this Term Sheet  
12 was superseded by the Plan  
13 ultimately, I am not sure exactly  
14 what the significance of this  
15 particular term at this time is.

16 BY MR. BROWN:

17 Q. Okay. Well, putting aside  
18 workers' compensation coverage, is there  
19 any other coverage that you are aware of  
20 that Grace has under the policies that  
21 are being transferred to the Asbestos PI  
22 Trust?

23 MR. FINCH: Objection to the  
24 form.

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1 THE WITNESS: The answer to  
2 that is certainly, yes.

3 I mean, for example, Grace  
4 has insurance beginning in -- I  
5 don't know -- 1986 or so that  
6 contains asbestos exclusions,  
7 running up through today, and none  
8 of that insurance is being  
9 transferred to the Trust because  
10 it doesn't provide any coverage  
11 for asbestos personal injury  
12 claims.

13 BY MR. BROWN:

14 **Q. What if we limited it to**  
15 **asbestos insurance rights? In other**  
16 **words, the policies -- the asbestos**  
17 **insurance rights are being transferred to**  
18 **the Trust by Grace, correct?**

19 A. Well, you are using a term  
20 that is a term that is defined in the  
21 Plan, and as defined in the Plan, the  
22 asbestos insurance rights under the terms  
23 of the Plan and the Insurance Transfer  
24 Agreement are being transferred to the

Page 23

1 Trust.

2 **Q. Okay. And does that include**  
3 **all the coverages under the policies that**  
4 **are covered by that term?**

5 A. I have no idea, because  
6 asbestos insurance rights are not  
7 asbestos insurance policies, and I have  
8 not undertaken to examine each and every  
9 policy that does or might provide  
10 coverage for asbestos personal injury  
11 claims to determine whether or not there  
12 is some coverage under that policy that  
13 doesn't and that might not be  
14 transferred.

15 As a general proposition, my  
16 recollection is that the Plan is pretty  
17 specific about what's being transferred  
18 and what's not.

19 There is an Exhibit-5, for  
20 example, that lists various categories of  
21 policies and settlement agreements and  
22 things of that nature. There is the  
23 Insurance Transfer Agreement; there are  
24 schedules of insurance rights.

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1 Trying to answer a question  
2 from memory that's as broad and all  
3 encompassing as that, I think frankly is  
4 virtually impossible, and I don't think I  
5 can do it any better than I just did.

6 MR. BROWN: Okay. And just  
7 so everyone knows how we are going  
8 to be handling the question  
9 regarding Plan documents, we are  
10 going to mark certain Plan  
11 exhibits as separate exhibits in  
12 the deposition.

13 Mr. Lockwood has a  
14 separately tabbed collection of  
15 all the Plan documents. He wants  
16 to work off of that. I have no  
17 problem with that. But, for  
18 purposes of the record, it will be  
19 the individual Plan documents that  
20 we are referring to.

21 THE WITNESS: For purposes  
22 of the record, what I have in  
23 front of me is the printed book  
24 called Exhibit Book to First

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1 Amended Joint Plan of  
2 Reorganization and Disclosure  
3 Statement as of February 27, 2009,  
4 which is the document that was  
5 distributed to people to vote on  
6 the Plan. And the only -- there  
7 are no markings or anything in it.

8 What I have had done is, so  
9 that I could have ready access to  
10 the multiple -- well, there are 33  
11 exhibits in this book, and I have  
12 simply had numerical tabs placed  
13 on the first page of each separate  
14 exhibit, so that if somebody wants  
15 me to find an exhibit, I can look  
16 to the tab rather than pawing  
17 through hundreds of pages of  
18 documents to see where the  
19 exhibit, in fact, can be found.

20 BY MR. BROWN:

21 **Q. All right. Mr. Lockwood,**  
22 **can you take a look at Exhibit 6?**

23 MR. BROWN: And we will have  
24 that marked as ACC-4.

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Obj:  
R



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(ACC 30(b)(6)-4 marked for identification at this time.)

THE WITNESS: I have it.

BY MR. BROWN:

**Q. Okay. And why don't you identify that document?**

A. That is Exhibit 6 to Exhibit Book captioned Asbestos Insurance Transfer Agreement.

**Q. Okay. And it has certain attachments to it, correct?**

A. It does.

**Q. Okay. Can you look at Schedule 1?**

A. I am looking at it.

**Q. Okay. Am I correct that all of the policies that are listed on Schedule 1 fit within the definition of asbestos insurance policies under the Plan?**

A. I will need to look at this a little bit here.

As I understand it, and I am going to read from this document, "All

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insurance policies that the Insurance Contributors have reason to believe potentially or actually provide insurance coverage for Asbestos Pi Claims are listed and described accurately on the attached Schedule 1." That, to my knowledge, is what Schedule 1 is.

**Q. All right. Now, what I would like you to do is to look at Exhibit 1, which is the Joint Plan itself, and specifically page 5, definition 13.**

MR. BROWN: And we will mark that as ACC-5.

(ACC 30(b)(6)-5 marked for identification at this time.)

MR. FINCH: What page do you want him to go to?

MR. BROWN: Page 5, definition 13.

THE WITNESS: Looking at it.

BY MR. BROWN:

**Q. Asbestos Insurance Rights?**

A. That is correct.

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**Q. My question is, well, you will see the asbestos insurance rights starts off, "shall mean any and all rights, titles, privileges," and so forth.**

**Do you see that language?**

A. I do.

**Q. And that's with respect to asbestos insurance policies?**

A. Well, among other things, yes.

**Q. And those are all being transferred to the Asbestos PI Trust, correct?**

MR. FINCH: Object to form.

THE WITNESS: The reason I am hesitating is I am not sure I can recall whether or not the general -- to answer the question, I have to look to see what the Plan says about the transfer and whether or not the Plan statement about what's being transferred. This is simply the definition.

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There are other provisions that describe what is transferred to the Trust. I would have to look to the Plan to see what the definition of the assets being transferred is and then look at the Insurance Transfer Agreement, which was Exhibit-4, ACC Exhibit-4, and see whether those two are coextensive. I think they are, but that's what I would have to do to make sure.

BY MR. BROWN:

**Q. Well, if you look at page 2 of the Transfer Agreement, the very first sentence is, "Effective upon the Effective Date, the Insurance Contributors hereby irrevocably transfer, convey, and grant to the Asbestos PI Trust all of their Asbestos Insurance Rights."**

A. Okay.

**Q. Now, bearing in mind that language and turning back to the**

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definition of asbestos insurance rights, which does have some restrictions at the end of it, after the provided that language on page 6 --

A. Yes, I see it.

**Q. Other than what's excluded from asbestos insurance rights in that language in the definition, are all of the Debtors' interests in the policies that are on Schedule 1 of the asbestos Insurance Transfer Agreement being transferred to the Asbestos PI Trust, or are some others being retained by the Debtors?**

A. All I can say is that what is being transferred is all of the asbestos insurance rights as defined in the Plan. And if there are, in fact, some other rights that are not asbestos insurance rights, then the Plan does not appear to transfer those.

**Q. Okay. And the workers' compensation coverage is one of those items?**

A. That's my recollection, that is workers' comp rights are not transferred.

**Q. Okay. Are you aware of anything else that is not transferred?**

A. Not as I sit here right now. I do not recall having any knowledge of anything that specifically carved out of the policies, but, again, I mean, the definitions say what they say.

**Q. Okay. Can you go back to the --**

A. I mean, if you have some specific item in mind that you want to ask me about whether it is or it isn't transferred, I will try and answer that. But asked globally the way you are doing it, I don't have any recollection of anything.

**Q. Okay. Can you turn back to ACC-3, please.**

MR. FINCH: What's that, the Term Sheet?

MR. BROWN: Yes.

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THE WITNESS: That's the 8-K with the Term Sheet in it, I believe.

MR. BROWN: Yes.

THE WITNESS: I have it.

BY MR. BROWN:

**Q. On page 10, Roman 4, if you will just take a look at that for a moment?**

A. The provision captioned Binding Effect?

**Q. Correct.**

A. I have read it.

**Q. Okay. Does the ACC understand the Term Sheet to be binding on the parties to it?**

MS. HARDING: Object under 408 and instruct the witness not to answer if it reveals settlement negotiations.

THE WITNESS: The ACC --

MR. BROWN: Wait.

MR. JACOB COHN: Does that create an evidentiary privilege in

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discovery as opposed to admissibility in trial?

MS. HARDING: I have made my objection for the record.

MR. JACOB COHN: Jacob Cohn, Federal Insurance Company.

BY MR. BROWN:

**Q. I don't know that the Debtor should be instructing a Rule 30 --**

A. The Debtor hasn't instructed the witness not to do anything as far as I am aware.

MR. JACOB COHN: I heard her try.

MS. HARDING: Suggest.

THE WITNESS: Would you read back the question, please?

(The reporter read from the record as requested.)

THE WITNESS: The ACC understands that the Plan, when the Plan is confirmed, will be binding on it and everybody else that is bound by a confirmed Plan.



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<p>1 The ACC does not consider the Term</p> <p>2 Sheet to have any binding effect</p> <p>3 at this particular time in the</p> <p>4 bankruptcy process.</p> <p>5 BY MR. BROWN:</p> <p>6 <b>Q. Did the Term Sheet have a</b></p> <p>7 <b>binding effect prior to the filing of a</b></p> <p>8 <b>Plan?</b></p> <p>9 MR. FINCH: Objection to the</p> <p>10 extent that it calls for either a</p> <p>11 legal conclusion or privileged</p> <p>12 information.</p> <p>13 You can answer, if you can.</p> <p>14 THE WITNESS: Well, it calls</p> <p>15 for the former, and I am not going</p> <p>16 to refuse to answer.</p> <p>17 If you want my opinion, it's</p> <p>18 a question of contract law. I</p> <p>19 personally doubt very much that as</p> <p>20 a matter of contract law or</p> <p>21 bankruptcy law, the Term Sheet was</p> <p>22 binding, because, number one, as</p> <p>23 under contract law, it wouldn't,</p> <p>24 as I said earlier, have contained</p>	<p>1 <b>Q. Okay. Put that aside.</b></p> <p>2 <b>Just note the date. It's</b></p> <p>3 <b>April 6, 2008. So the next series of</b></p> <p>4 <b>questions I have pertains to the period</b></p> <p>5 <b>prior to that.</b></p> <p>6 A. Okay.</p> <p>7 <b>Q. Were any asbestos insurance</b></p> <p>8 <b>entities involved in the negotiation of</b></p> <p>9 <b>the Term Sheet?</b></p> <p>10 MS. HARDING: Object --</p> <p>11 THE WITNESS: Not that I</p> <p>12 recall.</p> <p>13 MS. HARDING: Object under</p> <p>14 408.</p> <p>15 BY MR. BROWN:</p> <p>16 <b>Q. Were any asbestos insurance</b></p> <p>17 <b>entities invited to participate in the</b></p> <p>18 <b>negotiations of the Term Sheet?</b></p> <p>19 MS. HARDING: Same</p> <p>20 objection.</p> <p>21 THE WITNESS: Well, to the</p> <p>22 extent that the Term Sheet</p> <p>23 negotiations involve people</p> <p>24 sitting down together and/or being</p>
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<p>1 all the material terms and</p> <p>2 conditions. And so it would be</p> <p>3 very difficult under doctrines</p> <p>4 having to do with completeness of</p> <p>5 contracts to be enforceable for it</p> <p>6 to have been binding.</p> <p>7 And, secondly, it wasn't a</p> <p>8 Plan, and it wasn't a settlement</p> <p>9 agreement that was separate from</p> <p>10 the Plan. It recites by its terms</p> <p>11 that "The parties shall use their</p> <p>12 best efforts to incorporate the</p> <p>13 terms in this Term Sheet into a</p> <p>14 mutually agreeable Plan of</p> <p>15 Reorganization to be filed with</p> <p>16 the Bankruptcy Court as soon as</p> <p>17 possible."</p> <p>18 And, therefore, almost by</p> <p>19 definition, it recognizes that as</p> <p>20 a stand-alone document in a</p> <p>21 bankruptcy context, it's not</p> <p>22 binding on anybody, in my opinion.</p> <p>23 But that's just my opinion.</p> <p>24 BY MR. BROWN:</p>	<p>1 on telephone calls together to</p> <p>2 discuss it and agree on it, to my</p> <p>3 knowledge, I don't recall any.</p> <p>4 Whether or not the Debtors,</p> <p>5 for example, had communications</p> <p>6 unknown to the ACC with their</p> <p>7 insurers on the subject matter</p> <p>8 that ultimately was reflected in</p> <p>9 the Term Sheet, I don't know.</p> <p>10 BY MR. BROWN:</p> <p>11 <b>Q. Okay. Well, for purposes of</b></p> <p>12 <b>this question, I am asking for the ACC's</b></p> <p>13 <b>knowledge.</b></p> <p>14 A. I understand. But I want to</p> <p>15 make it clear what the limitations of the</p> <p>16 ACC's knowledge is.</p> <p>17 <b>Q. I understand.</b></p> <p>18 <b>To the ACC's knowledge, were</b></p> <p>19 <b>any asbestos insurance entities consulted</b></p> <p>20 <b>regarding any provision in the Term</b></p> <p>21 <b>Sheet?</b></p> <p>22 MS. HARDING: Same</p> <p>23 objection.</p> <p>24 THE WITNESS: To the ACC's</p>

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<p>CI</p> <p>1 knowledge, they are unaware of any 2 such consultations.</p> <p>3 BY MR. BROWN:</p> <p>4 <b>Q. Did any asbestos insurance</b> 5 <b>entity consent to the assignment of the</b> 6 <b>policy or proceeds thereof prior to the</b> 7 <b>execution of the Term Sheet?</b></p> <p>8 A. Not to the knowledge of the 9 ACC as an entity or me, in particular. 10 My make statements about the ACC's 11 knowledge, I am speaking obviously of 12 both its and my knowledge at the same 13 time.</p> <p>14 <b>Q. Did any asbestos insurance</b> 15 <b>entity agree to any term in this Term</b> 16 <b>Sheet before the parties in the Term</b> 17 <b>Sheet executed it?</b></p> <p>18 A. I have no idea.</p> <p>19 <b>Q. Do you have any knowledge of</b> 20 <b>any such --</b></p> <p>21 A. I have no knowledge that 22 they did and I have no knowledge that 23 they didn't.</p> <p>24 <b>Q. Okay. The initial Joint</b></p>	<p>CI</p> <p>1 <b>Q. Okay. Between April 6, 2008</b> 2 <b>and September of 2008, is it fair to say</b> 3 <b>that the Plan documents were being</b> 4 <b>drafted?</b></p> <p>5 MS. HARDING: Object under 6 408.</p> <p>7 THE WITNESS: Of course.</p> <p>8 BY MR. BROWN:</p> <p>9 <b>Q. And who were the parties</b> 10 <b>that were involved in the negotiation of</b> 11 <b>Plan documents?</b></p> <p>12 MS. HARDING: Object under 13 408.</p> <p>14 MR. FINCH: Are you talking 15 about entities or people?</p> <p>16 THE WITNESS: A lot.</p> <p>17 MR. BROWN: Let's start with 18 entities.</p> <p>19 MR. FINCH: That, you can 20 answer.</p> <p>21 THE WITNESS: Entities, 22 representatives of the Debtors, 23 the Equity Committee, the Future 24 Claimants' Representative and the</p>
Page 39	Page 41
<p>CI</p> <p>1 <b>Plan was filed on September 19th, 2008,</b> 2 <b>correct?</b></p> <p>3 A. I don't, as I sit here, 4 right now, unrefreshed by looking at the 5 document, recall that that's the specific 6 date, but A, it sounds about right, and 7 B, I will take your word for it, if you 8 are representing that that's the date.</p> <p>9 <b>Q. Okay. And along with the</b> 10 <b>filing of the initial Plan, there was</b> 11 <b>also a filing of the Asbestos PI Trust</b> 12 <b>Agreement and the Asbestos PI TDP,</b> 13 <b>correct?</b></p> <p>14 A. I don't recall actually 15 whether those documents were filed at 16 exactly the same time the Plan was filed 17 or whether they were filed on some later 18 day.</p> <p>19 They were certainly filed at 20 some approximation of the same time, but 21 it could have been a month later or 22 something like that. Again, what was 23 filed with the court is a matter of 24 record, so...</p>	<p>CI</p> <p>1 ACC, and I can't remember whether 2 there was any involvement by 3 representatives of the Unsecured 4 Creditors' Committee or not. I 5 just don't remember at this point.</p> <p>6 BY MR. BROWN:</p> <p>7 <b>Q. How about any of the Sealed</b> 8 <b>Air indemnified parties?</b></p> <p>9 MS. HARDING: Object under 10 408.</p> <p>11 THE WITNESS: At some point, 12 representative of the Sealed Air 13 indemnified parties were involved 14 in reviewing drafts and commenting 15 on drafts, et cetera. I think 16 they were involved before we filed 17 the first Plan, but I am not -- I 18 mean, I know they were -- right 19 now, we are looking at the Amended 20 Plan filed in February 27, 2009. 21 I am quite confident that they 22 were involved in discussing -- 23 reviewing and discussing this 24 Plan.</p>



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Obj:  
R

1 I just don't remember for  
2 sure whether they were involved in  
3 the first Plan or whether they got  
4 involved between the first Plan  
5 and this Plan. I think they were  
6 involved in the first Plan.

7 BY MR. BROWN:

8 **Q. Okay. Would your answer be**  
9 **the same for the Fresenius indemnified**  
10 **parties?**

11 MS. HARDING: Object under  
12 408. I think we should take a  
13 break. I would like to consult  
14 with counsel.

15 MR. BROWN: Okay.

16 THE WITNESS: Does that  
17 include me or do you want to just  
18 talk to him?

19 MS. HARDING: I will talk to  
20 Nate.

21 (There was a break from  
22 10:15 a.m. to 10:17 a.m.)

23 MR. FINCH: Can we read back  
24 the pending question?

1 BY MR. BROWN:

2 **Q. Let me, Mr. Lockwood, refer**  
3 **you back to ACC-2, which was the**  
4 **objection, and direct your attention**  
5 **specifically to paragraph 3.**

6 A. I see it.

7 MR. BROWN: Okay. This is  
8 more directed to Nate than anyone  
9 else. There are, as you might  
10 guess, a whole host of questions  
11 that lots of people in this room,  
12 including myself, would want to  
13 ask concerning the negotiations of  
14 the Plan and the Plan documents as  
15 well as questions about prior  
16 drafts that weren't filed.

17 Is it safe to say that you  
18 will object to those questions and  
19 instruct the witness not to  
20 answer?

21 MR. FINCH: That is correct.

22 MR. BROWN: Okay. Then with  
23 the caveat that we won't ask them  
24 simply because we are not here to

PP's  
Obj: R

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CI

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PP's  
Obj:  
R

1 (The reporter read from the  
2 record as requested.)

3 MR. FINCH: You can answer  
4 that question.

5 THE WITNESS: In general,  
6 yes, although their involvement  
7 was less.

8 BY MR. BROWN:

9 **Q. Okay. What was the**  
10 **involvement of Sealed Air and Fresenius**  
11 **in the drafting of the Plan documents?**

12 MR. FINCH: Objection,  
13 instruct the witness not to  
14 answer.

15 MS. HARDING: Objection.

16 MR. JACOB COHN: Basis,  
17 please.

18 MR. FINCH: Basis is Judge  
19 Fitzgerald's ruling that Plan  
20 negotiations and the draft Plan  
21 Agreement are not relevant to the  
22 confirmability of the Plan.

23 MS. HARDING: Same  
24 objection.

1 waste everyone's time, I am going  
2 to move forward and not ask  
3 questions about the negotiations.

4 Can we have an agreement on  
5 that ground?

6 MR. FINCH: Sure. We can  
7 have an agreement on that point.

8 MR. BROWN: And in the event  
9 that that is ever reversed or your  
10 position is not upheld by the  
11 court, we would have an  
12 opportunity to come back and ask  
13 questions about the drafting as  
14 well as the negotiations.

15 MR. FINCH: If Judge  
16 Fitzgerald reverses herself on  
17 what she has ruled in various  
18 other cases, you would have that  
19 opportunity.

20 MR. BROWN: Or some higher  
21 court.

22 MR. FINCH: Or some higher  
23 court.

24 MR. BROWN: Fair enough.



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MR. JACOB COHN: I want to be perfectly clear here that you are not relying upon not a ruling that you don't need to answer questions at these depositions on this subject, but your position is that this is a relevance objection and you are instructing not to answer on the basis of relevance.

MR. FINCH: That's right.

MR. JACOB COHN: And you are aware of the local Delaware rules on this subject?

MR. FINCH: Yes, I am.

MR. JACOB COHN: I am.

MR. BROWN: Thanks, Jacob.

MR. SPEIGHTS: Excuse me. This is Dan Speights, representing Anderson Memorial Hospital.

Mr. Finch, would you advise us of what rulings you are referring to?

MR. FINCH: Sure. If you look at the ACC's objections to

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the 30(b)(6) notice, Dan --

MR. SPEIGHTS: If it's contained in there, just refer to. I want to make sure if we want to file a motion, we have the basis of your objection.

MR. FINCH: Yes. The basis of the objection is set forth on page 2, paragraph number 3, and ACC deposition Exhibit-2 to this deposition.

MR. SPEIGHTS: Thank you, Mr. Finch.

BY MR. BROWN:

**Q. Okay. Mr. Lockwood, in the period between the Term Sheet and the filing of the initial Plan in September, was any asbestos insurance entity invited to participate in the negotiation of the Plan documents or the drafting of the Plan documents?**

MS. HARDING: Same objection.

THE WITNESS: I have no

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knowledge whether they were or were not.

BY MR. BROWN:

**Q. To your knowledge, did any asbestos insurance entity actually participate?**

MS. HARDING: Same objection.

THE WITNESS: I have no knowledge that they did.

BY MR. BROWN:

**Q. Was any asbestos insurance entity consulted concerning any term or provision in the Joint Plan or any Plan documents?**

MS. HARDING: Same objection.

THE WITNESS: In the same period?

MR. BROWN: Correct.

BY MR. BROWN:

**Q. From April 2008 to September, when the initial Plan was filed in September of 2008.**

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A. I have no knowledge that anyone was.

**Q. Were any asbestos insurance entities consulted regarding the assignment or transfer of their policies or proceeds under their policies to the Asbestos PI Trust in that time period?**

MS. HARDING: Same objection.

THE WITNESS: I have no knowledge that they were or were not.

BY MR. BROWN:

**Q. Did any consent?**

A. I have no knowledge --

MS. HARDING: Same objection.

THE WITNESS: -- that anyone did, in fact, consent.

BY MR. BROWN:

**Q. Okay. Now, I want to focus your attention now on the period after the initial Plan was filed.**

**In that period, after the**



CI

PP's  
Obj: R Page 50

1 initial Plan and Plan documents were  
2 filed, did GEICO consent to the Joint  
3 Plan or any Plan document or any  
4 provision in the Plan or Plan documents?

5 A. Not to my knowledge.

6 Q. Okay. Would your answer be  
7 the same for Republic Insurance Company?

8 A. Yes.

9 Q. And OneBeacon American  
10 Insurance Company?

11 A. Yes.

12 Q. And Seaton Insurance  
13 Company?

14 A. Yes.

15 Q. How about any other asbestos  
16 insurance entity? Would your answer be  
17 the same?

18 A. No, I don't think it would,  
19 actually. I believe -- and I would have  
20 to sort of try and reconstruct and  
21 recollect the timing, but I believe there  
22 was a settlement agreement entered into  
23 with Equitas during some time period. It  
24 actually might have predated. It might

CI

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1 A. The cover page?

2 Q. No, no. The first --

3 A. Numbered page.

4 Q. -- well, it's actually not  
5 numbered, but it's 1. It should be 1.

6 A. Okay. I have it.

7 Q. All right. Midway down the  
8 page, it says, "This Plan constitutes a  
9 settlement of all Claims in the Demands  
10 against the Debtors on, and subject to,  
11 the terms described herein and the other  
12 Plan Documents."

13 Are the Debtors settling the  
14 asbestos PI claims against them through  
15 this Plan?

16 A. I think --

17 MS. HARDING: Object to  
18 form.

19 THE WITNESS: I think it  
20 would be a fair characterization  
21 that the Plan embodies a  
22 compromise between the class of  
23 claimants consisting of the  
24 asbestos PI claimants and others.

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PP's  
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1 have predated the Plan.

2 But, in any event, the  
3 settlement agreement with Equitas to my  
4 recollection involved its agreeing to  
5 either this Plan or a 524(g) Plan that  
6 this Plan would qualify as.

7 And I believe that there was  
8 also a settlement agreement with the  
9 KWELM Companies that either by its terms  
10 or implicitly represented the KWELM  
11 Companies' consent to this Plan, to the  
12 first Plan. Those are the only two that  
13 come to mind.

14 Q. Why don't we turn to the  
15 first Amended Joint Plan, which is  
16 Exhibit-1 in your book.

17 A. Okay. I have it.

18 MR. FINCH: Exhibit-5 to the  
19 deposition.

20 THE WITNESS: It's ACC  
21 Exhibit-5.

22 BY MR. BROWN:

23 Q. All right. Could you turn  
24 to the first page?

PP's  
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1 And if the Plan were confirmed  
2 that that compromise could be  
3 called a settlement between the  
4 Debtors and those entities, under  
5 which there would be a Trust  
6 created and the claims would be  
7 brought to the Trust, not against  
8 the Debtors, I think that would be  
9 a fair characterization, yes.

10 BY MR. BROWN:

11 Q. Is it a settlement of the  
12 demands that have not yet even been  
13 asserted against the Debtors?

14 MS. HARDING: Object to  
15 form.

16 MR. FINCH: Object to form.

17 THE WITNESS: That calls for  
18 a legal conclusion at an almost  
19 metaphysical level, frankly.

20 I guess you could conceive  
21 of it as that or you could just  
22 say that the Plan itself is what  
23 it is. I mean, it has the effect  
24 under 524(g) of the bankruptcy

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code on the holders of future demands that the bankruptcy code prescribes.

It's hard to come to an answer because settlement sort of implies -- I mean, to the extent that the Future Claimants Representative is regarded as the equivalent of a guardian ad litem for the Future Claimants, which is one way of looking at it, you could characterize it as a settlement.

But, again, the Future Claimants Representative exists, only in a legal capacity of somebody appointed by the bankruptcy court for that purpose, has no independent ability to settle things. So, as I said before, I mean, I am not sure the question, A, could be answered and, B, is meaningful.

BY MR. BROWN:

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**Q. To the extent it is a settlement, is it binding on the asbestos insurance entities in the view of the ACC?**

MS. HARDING: Object to the form. Calls for a legal conclusion.

THE WITNESS: That question is unanswerable as phrased because, I mean, binding for what purpose?

BY MR. BROWN:

**Q. For purposes of insurance coverage.**

MS. HARDING: Same objection.

THE WITNESS: The extent of which, A, it's a settlement within the meaning of, for example, insurance comprehensive general liability insurance policies that talk about settlements, B, it could be made without the consent of insurance companies, under the

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Plan that's an issue that will only get resolved by some other court in the event there is a dispute between the Trust and any asbestos insurance company over whether it is a, quote, settlement that's binding on them.

That is not something that the Plan or the Confirmation Order under the insurance neutrality provisions of this Plan purports to resolve.

BY MR. BROWN:

**Q. Is it intended to be binding?**

MS. HARDING: Object to form.

THE WITNESS: Intended by whom?

BY MR. BROWN:

**Q. By the ACC?**

MR. FINCH: Object to the question to the extent it calls for privileged or work product

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analysis. To the extent the ACC has a position on that, that it's not privileged and work product, you can answer.

THE WITNESS: I guess the best answer I could give you on that from the ACC's perspective is that -- well, let me back up a little bit. When you say "is it intended," you are describing the settlement. The settlement is a 125-page Plan with multiple exhibits.

In light of the insurance neutrality provisions, there are clearly aspects that are not binding on the insurers, but the question of whether -- I guess the best way I could put it is the ACC would hope that in the event that post-consummation, the Trust sought coverage from any particular set of insurers, whose asbestos insurance rights were



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assigned to the Trust, that the Trust would be able to obtain such coverage, either by agreement with the asbestos insurance companies or through coverage litigation in some coverage court, which coverage litigation might entail a decision by a judge that in some manner or another what the Trust was doing pursuant to the Plan in terms of resolving individual asbestos claims was, in fact, binding on the insurers. That's about the best I can do.

BY MR. BROWN:

**Q. Okay. To the extent it constitutes a settlement of asbestos PI claims, is it superseded by Section 7.15 entitled Insurance Neutrality?**

A. That question is almost incomprehensible to me, because Section 7.15 is sort of a form selection provision. Essentially, in my view of it, what it does is it says to the extent

PP's Page 59  
Obj: R; BE

that there are disagreements about the Trust's rights under transferred insurance assets, those disputes are going to get resolved by the parties, the insurers, and the Trust at a later date in front of a later court.

And so some later court would determine whether it was a settlement or not. The 7.15 itself doesn't purport to say whether it is or isn't a settlement. It says essentially that some other court, if necessary, will have to decide that issue because the insurers don't want to have coverage litigation in this bankruptcy case.

**Q. All right. But the sentence that we are referring to on page 1 says, "The Plan constitutes a settlement of all Claims and Demands against the Debtors on, and subject to, the terms described herein and the other the Plan Documents."**

A. That is --

**Q. My question is, is that language superseded by the insurance**

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**neutrality language that appears in 7.15?**

MS. HARDING: Objection.

MR. FINCH: Objection, asked and answered.

THE WITNESS: I cannot give you any better answer to that than the one I gave you already.

You are asking me whether a descriptive sentence in a Plan supersedes a form selection clause in some other part of the Plan, and, to me, that's just -- I don't even understand how one could supersede the other in the first place. I mean, if you can explain to me why you think it supersedes it, maybe I could have a more specific answer.

BY MR. BROWN:

**Q. Well, why don't you look at 7.15 A on page 87 of the Plan.**

A. Okay.

**Q. As I read that sentence, other than what appears in the other**

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**portions of 7.15, nothing in the Plan, the Plan documents, the Confirmation Order, is to operate or shall operate -- "shall in any way operate to, or have the effect of, impairing any Asbestos Insurance Entity's legal, equitable or contractual rights, if any, in any respect."**

A. Yeah?

MS. HARDING: Object to form. Is there a question?

MR. BROWN: I am reading the language first. Can I finish?

MS. HARDING: I am sorry. I thought you were asking a question. I didn't hear it.

BY MR. BROWN:

**Q. To the extent that the Plan or the Confirmation Order constitutes a settlement of asbestos PI claims against the Debtors, is that going to then be binding upon the insurers in coverage litigation?**

MS. HARDING: Object to



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1 form. It calls for a legal  
2 conclusion.

3 THE WITNESS: If a coverage  
4 court decides that it's a  
5 settlement and that it's a  
6 settlement that's reasonable and  
7 that it doesn't have to be  
8 consented to by insurers, then the  
9 coverage court will have decided  
10 that the settlement isn't  
11 impairing the insurers' rights  
12 under their policies.

13 That's what I mean by it's  
14 up to the coverage court. Your  
15 question assumes that for it to be  
16 a settlement, it would have to  
17 impair the insurers' rights. My  
18 limited understanding of insurance  
19 law is that that may be true or it  
20 may not be true. But what this  
21 says is that the Plan and the  
22 Confirmation Order aren't  
23 purporting to resolve that issue.

24 Your rights are what they

1 specifically (a) under 13.

2 A. I see it.

3 Q. Is that language intended to  
4 include any property damage-related  
5 causes of action?

6 A. It depends on what you mean  
7 by included. What it basically means is  
8 that, as I understand it, that the Trust  
9 gets the rights; nobody else gets the  
10 rights. The Trust can then seek coverage  
11 from the insurers.

12 Since the Trust has no  
13 asbestos property damage claims to assert  
14 against the insurers, it will not be  
15 asserting asbestos property claims  
16 against the insurers. But the effect of  
17 the transfer would mean that, for  
18 example, Grace or a property damage  
19 claimant could not assert property damage  
20 claims under that insurance coverage  
21 because those rights have been assigned  
22 to the Trust and they are, therefore, no  
23 longer available to be invoked or  
24 utilized by anybody else.

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1 are; you will be able to present  
2 them to a coverage court. And the  
3 coverage court, if it agrees with  
4 you, will say, first, the Plan  
5 doesn't control the outcome of  
6 this decision because that's what  
7 7.15(a) says, and, secondly, you  
8 are correct in asserting that this  
9 is an unconsented-to settlement or  
10 it's not a settlement or whatever  
11 defense you have applies. And it  
12 will say you win, you don't have  
13 any coverage obligations for this  
14 claim or these claims or whatever.  
15 That's my understanding of how  
16 this is supposed to work.

17 BY MR. BROWN:

18 Q. Okay. I am going to go  
19 through the Plan and various items. We  
20 are going to jump around a little bit.  
21 So why don't we first turn to page 5.

22 A. I have it.

23 Q. And the definition -- we  
24 looked at this earlier -- 13,

1 Q. Okay. Let's turn to page 6,  
2 Asbestos Insurance Coverage Defenses, 6  
3 and 7.

4 A. Definition 16.

5 Q. Correct.

6 A. I see it.

7 Q. Did you have a chance to  
8 read it?

9 A. Yes.

10 Q. And there are two exceptions  
11 that are listed there to asbestos  
12 insurance coverage defenses?

13 A. Correct.

14 Q. And the first one says,  
15 "...the Plan or any of the Plan documents  
16 do not comply with the Bankruptcy  
17 Code..."

18 So, as I understand that, if  
19 in a subsequent coverage action, an  
20 insurer sought to argue that the Plan or  
21 Plan documents don't comply with the  
22 bankruptcy code, they would be precluded  
23 from doing so by virtue of the  
24 confirmation of the Plan; is that



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1 correct?

2 A. Correct.

3 Q. And the second one has to  
4 deal with the assignment of policy  
5 rights, correct?

6 A. Correct.

7 Q. And asbestos insurance  
8 entities would be prohibited from  
9 litigating that issue?

10 A. If the bankruptcy court  
11 decided that those consent rights were  
12 effectively preempted by the bankruptcy  
13 code. If it decided the other way, then  
14 they wouldn't be precluded from doing so.

15 Q. Okay. If you go before the  
16 two exceptions, it describes "Asbestos  
17 Insurer Coverage Defenses include any  
18 defense based on the terms of the Plan or  
19 the Plan documents or the manner in which  
20 the Plan or Plan documents were  
21 negotiated..."

22 What if an asbestos  
23 insurance entity wanted to argue in  
24 subsequent coverage litigation that the

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1 resolution of asbestos PI claims was the  
2 product of some sort of collusion between  
3 the Plan proponents? Could that be  
4 argued by the asbestos insurance  
5 companies in the subsequent coverage  
6 litigation?

7 MS. HARDING: Object to  
8 form.

9 MR. FINCH: Objection to  
10 form.

11 THE WITNESS: First, it's  
12 hypothetical. Second, it's a  
13 question sort of to some extent of  
14 insurance law.

15 But subject to that, and the  
16 fact that I don't profess to be an  
17 expert on this subject, it is my  
18 understanding that an asbestos  
19 insurer could argue any state law  
20 coverage defense that it had,  
21 including collusion.

22 It is also my understanding  
23 that the Trust in this  
24 hypothetical scenario in which

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1 this dispute is arising could  
2 argue that it's not collusion  
3 because of the insolvency clauses  
4 in the CGL policies and that,  
5 therefore, almost by definition, a  
6 bankruptcy case doesn't involve  
7 collusion.

8 They couldn't argue that the  
9 bankruptcy court had decided that  
10 it wasn't collusion, because the  
11 insurance neutrality provision  
12 would preclude that argument. But  
13 it could certainly argue to the  
14 coverage court that the type of  
15 agreement that is entered into  
16 here, as a result, as I said, of  
17 state law -- of the facts and the  
18 state law didn't amount to  
19 collusion. But as such, the  
20 collusion defense is not, in my  
21 opinion, precluded by this  
22 language.

23 BY MR. BROWN:

24 Q. Okay.

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1 A. Again, that's my legal  
2 opinion. You got it, for whatever it's  
3 worth.

4 Q. Let's back up then. Is it  
5 intended to prevent such an argument --  
6 let's back up.

7 A. Intended by who?

8 Q. For purposes of these  
9 questions -- and I will try to fix my  
10 questions -- the ACC, because that's you  
11 are here to speak for.

12 MR. FINCH: Object to form.  
13 It assumes there is an intent.  
14 Object to form.

15 MS. HARDING: Object to  
16 form, too.

17 THE WITNESS: The intent of  
18 the ACC in this language, frankly,  
19 is to satisfy what we perceive to  
20 be the requirements of the Third  
21 Circuit decision in combustion  
22 engineering for rendering a Plan  
23 sufficiently, quote, neutral,  
24 close quote, as to its impact on

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the rights of insurers such that the insurers will not have legal standing to object to confirmation of the Plan. That's the intent.

You are now drilling down several layers under that generalized intent to ask about specific hypothetical applications of fact and law in a subsequent coverage litigation which this insurance neutrality provision creates. And I don't think the ACC has an intent on that subject, because the ACC has not, in fact, attempted to drill down that level of this thing, of this language.

All I can tell you is that looking at the language as somebody who was involved in creating it, it's my understanding and belief that this language preserves your state law collusion defense, and it's up to some coverage court to determine on the

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Chr

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A. Yes.

**Q. We discussed this, I think, a little bit earlier, if I am correct.**

**The assets that are described in that sentence, are they going into the Asbestos PI Trust?**

A. No.

**Q. Where are they going, if anywhere?**

A. I think they are being retained by the Debtors, keeping in mind that we are talking here about a very generic set of rights.

**Q. Right. All right. Let's go to page 23, please, definition 96.**

A. I see it.

**Q. There is a parenthetical that excepts out from the definition of Disallowed, and it contains asbestos PI claim and U.S. ZAI PD claim. What is the reason for that exception?**

A. Basically, the reason is that with respect to, first, asbestos PI claims, they are being sent to a Trust

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facts and the context whether the behavior of the Plan and the Plan participants in some way or another in the context of a bankruptcy and under all the relevant policy provisions which include insolvency clauses does or doesn't include the kind of collusion that would allow under applicable insurance law the insurer to disclaim coverage. That's the best I can do on that.

BY MR. BROWN:

**Q. All right. Let's go to page 11, and specifically I am looking at definition 29 which begins on page 10, Asbestos PD Trust Causes of Action, appearing on page 10 and going to page 11.**

A. I see it.

**Q. Okay. And do you see the sentence that begins, "notwithstanding the foregoing" in the center of that definition?**

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for resolution and they will never be allowed or disallowed in this bankruptcy case. And the way the term "disallowed" is used is to describe things that happen in the bankruptcy case under Section 502 of the bankruptcy code.

I believe, although I am not really all that familiar with the negotiations of the U.S. ZAI PD, that essentially the same outcome or process is contemplated by that, namely, the U.S. ZAI PD claims are being channelled to PD Trust for resolution, and they are not going to get resolved, i.e. allowed or disallowed in the bankruptcy case. So this is simply to note that fact, if you will.

**Q. Okay. Just so I understand you, asbestos PI claims then are not subject to 502(e) disallowance under the Plan; is that correct?**

MR. FINCH: Object to form.

THE WITNESS: That is correct.



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1 is Insurance Contributor.

2 A. I see it.

3 Q. "'Insurance Contributor'  
4 shall mean any of the Debtors, the  
5 Reorganized Debtors, and the Non-Debtor  
6 Affiliates identified in the Asbestos  
7 Insurance Transfer Agreement."

8 Can you turn to that  
9 agreement, which is Exhibit-6 to the  
10 Plan, ACC-4, in this deposition.

11 And I couldn't find where  
12 the Non-Debtor affiliates are identified  
13 in this agreement.

14 A. If you look at the first  
15 page, third line, it refers to including  
16 "without limitation, the Non-Debtor  
17 Affiliates identified in Exhibit 16 to  
18 the Plan."

19 If you turn to Exhibit-16 to  
20 the Plan, you will see a three-page list  
21 of Non-Debtor affiliates.

22 Q. Can I -- I don't have that  
23 in front of me. Can I just take a look  
24 at that?

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1 A. Certainly. It's Exhibit-16.  
2 It's an incorporation by reference.

3 Q. Mr. Lockwood, I just took a  
4 look at Exhibit-16 in the Plan, and I  
5 didn't see Fresenius or Sealed Air on  
6 that.

7 Is that correct?

8 A. Yes, I think that's correct.  
9 This is a list, as I understand it, of  
10 affiliates of the Debtor, and I don't  
11 believe the Debtor regards Fresenius and  
12 Sealed Air as its affiliate.

13 Q. Okay. What is the basis for  
14 the assignment of policy rights of  
15 Non-Debtor affiliates?

16 MS. HARDING: Object to  
17 form.

18 MR. FINCH: Object.

19 You can answer.

20 THE WITNESS: Well, in my  
21 personal view of this, there are  
22 two answers to that question. One  
23 is that in order to have the Trust  
24 have the ability to deal with

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1 assigned insurance rights from the  
2 Debtor, you can't have a lot of  
3 other Debtor-owned entities  
4 retaining possible rights to that  
5 insurance, because you could never  
6 resolve it with the insurers.

7 And so from my perspective,  
8 it's important to make sure that  
9 there aren't going to be competing  
10 claims. These Non-Debtor  
11 affiliates, for the most part, if  
12 not entirely, are not companies  
13 that were pre-petitioned  
14 defendants in asbestos litigation.  
15 And the purpose of this is really  
16 more to prevent them -- it's  
17 almost more like a forbearance or  
18 a give-up-your-rights provision  
19 than it is the actual assignment.

20 The Trust is not likely to  
21 be asserting claims on behalf of  
22 AA consultancy and cleaning  
23 Company, Limited, to use the first  
24 name on the Non-Debtor affiliate

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1 list. But if there were some sort  
2 of derivative liability that  
3 would -- remember, these are all  
4 entities that are  
5 asbestos-protected parties as  
6 well.

7 BY MR. BROWN:

8 Q. Right.

9 A. So the claims against them  
10 are going to the Trust. So the insurance  
11 covering those claims, if any existed,  
12 ought to go to the Trust as well.

13 Q. I think you mentioned that  
14 most of them were not involved to your  
15 knowledge in any kind of asbestos  
16 litigation.

17 Do you know of any of them  
18 that were?

19 A. I really don't know. I have  
20 never made and I am not sure anybody for  
21 the committee has ever made any effort to  
22 determine whether there were.

23 The concern obviously was  
24 that somebody could start trying to dream